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THE ECONOMY OF HENDERSONVILLE, N. C.

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Prepared for:

CITY OF HENDERSONVILLE, NORTH CAROLINA

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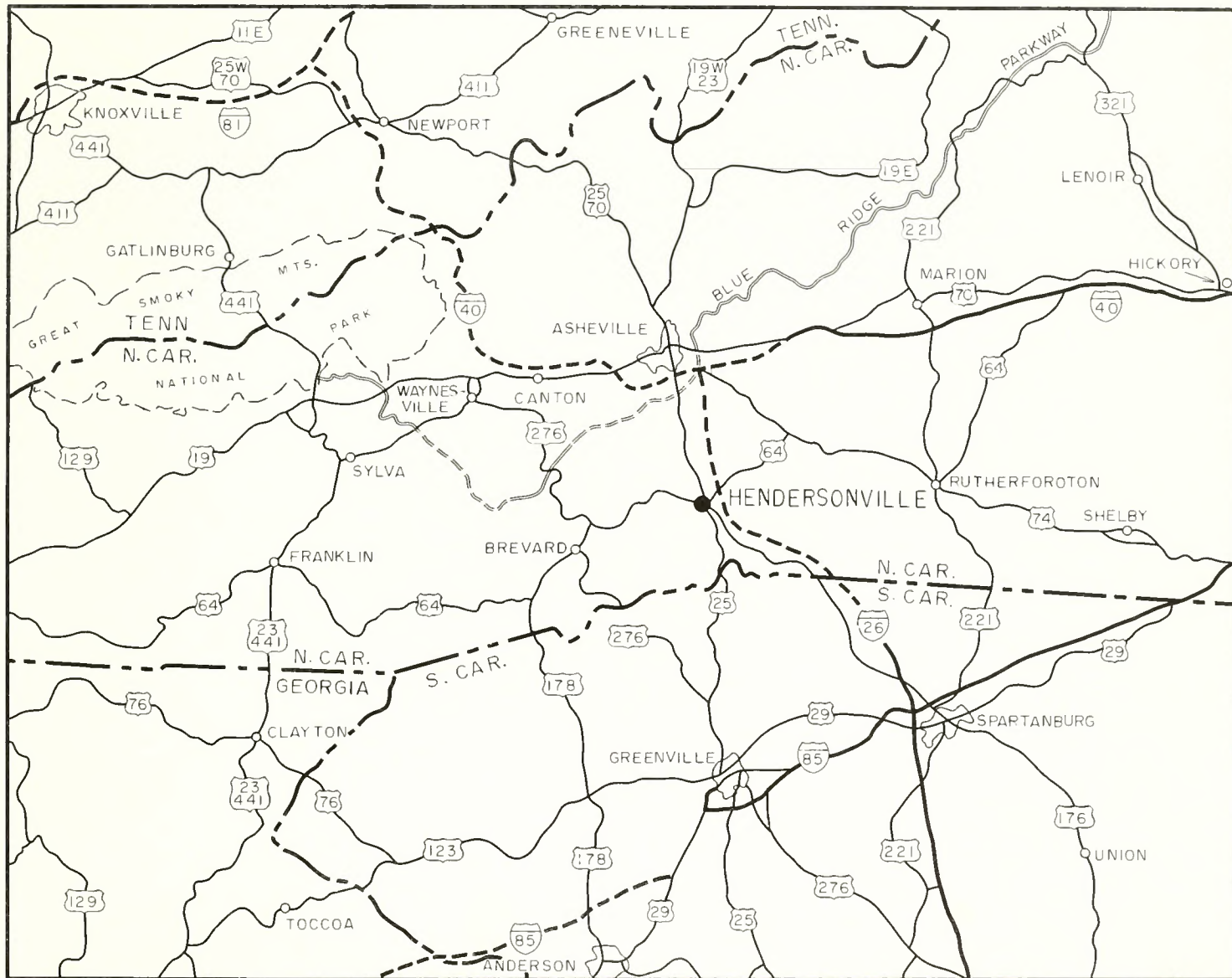
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HENDERSONVILLE IN ITS REGIONAL SETTING



MAP - I

SUMMARY AND CONCLUSIONS

The Economy of Henderson County:

- Major new industries have diversified the economy, boosted employment, raised income and living standards, and attracted new residents. Electrical, metal, and machinery firms in Hendersonville and chemical and paper firms in Transylvania County have led the advance. Previous commitments to declining activities--agriculture, textiles, and seasonal services--have retarded growth.
- During the past decade, nearly two-thirds of net employment gain in the County was in jobs for women, indicating some inadequacy in provision of jobs for men and explaining some out-migration of young adults.
- A ten percent net gain in employment by 1970 is projected. The biggest potential growth in employment is in professional and commercial services, followed by expansion of recent growth industry plants.

Style of Life in Hendersonville:

- Henderson County's 1959 per capita income of \$1,363 ranks 16th in the State, after an increase in real income of 5.85% per year during the previous decade. County educational attainment and quality of housing are statistically superior to State levels.
- The City of Hendersonville compares unfavorably with its adjacent area in measures of living standards. The rest of the Township is much higher in income, good housing, home ownership, and seasonally vacant (summer home) housing.
- Negro citizens of Hendersonville have not shared 'the good life,' in income (per capita of only \$604), education (one of three adults is functionally illiterate), housing (four of seven units substandard), or employment (three-quarters unskilled or service).

Population Trends:

- A straight projection of the City shows continued decline, while the rest of the Township increases by more than half. The County is the fastest in growth west of the Piedmont, with many elderly in-migrants.
- Unless Hendersonville annexes its natural growth, particularly its better developments, the City could become a blighted, walled-in core of its urban complex of more than 20,000. Good planning and judicious controls over natural growth are urgently needed by local citizens.

INTRODUCTION

This is one of a series of planning reports prepared for the Planning Board of the City of Hendersonville. Its function is to evaluate trends relevant to the future of the City, emphasizing factors which, in light of present knowledge, may contribute to the social and economic well-being of its citizens. Good planning, with decisions at the local level, can influence favorable development of local population and economic resources. In the final analysis, when people have a choice of a place in which to work and live, they look for a well-organized and attractive environment where their investments in homes, schools, churches, stores, factories and their families, will be protected. An environment which meets these wishes will attract people, as well as the production and exchange agents upon which the economy depends.

This report does not predict Hendersonville's future; that depends on actions taken by local citizens. Rather, trends in present resources are evaluated in terms of consequences of their continuation--in local economic performance levels, the growth character of industries locally represented, the quality of community levels of living, and population trends. Local development strategy involves the enhancement of trends for growth and betterment while minimizing the effects of blight and decline. This report will have been successful if knowledge of the trends indicated is instrumental in shaping local decisions to act to improve on them.

THE ECONOMY OF HENDERSONVILLE

The Economic Setting, Briefly:

Hendersonville is the economic center of Henderson County, North Carolina. Although its City Limits contained only 5,911 persons in 1960, the built-up adjacent area and the City together contain some 20,000 persons. The City is located on an intermountain plateau along an ancient transportation route from South Carolina to Asheville and the northwest. Asheville is 21 miles north of the City, Greenville is 40 miles south, and Charlotte is 110 miles east. Interstate Highway 26 will skirt Hendersonville, providing direct transportation to Asheville and to Charleston and tying in with routes to Atlanta, the Piedmont, and the Northeast.

Hendersonville was settled in 1841 and incorporated in 1847. Its easy access made it the trading center for a large rural area, and, with founding of a South Carolina summer colony at nearby Flat Rock, the whole area turned to serving seasonal summer residents as a basic set of activities for more than a century. The first industry of note in the area was the Green River Cotton Mill established at Tuxedo in 1907 and continuing in operation today under J. P. Stevens ownership. Hosiery mills were built in and near the City, and Balfour Mills (now Berkley Mills) opened what was until recently the County's largest employing industry at the nearby community of Balfour. After World War II Hendersonville opened a highly successful drive for new industry. Among industries which opened were several large textile and apparel firms and manufacturers of typewriters, brick, and foods. A few years ago General Electric built a huge plant to house all production, management, and research of its Outdoor Lighting Division; this plant is now the largest employer in the County. Youngstown Aluminum is the newest addition in a plant making aluminum extrusions; the operation began in April, 1963. Agriculture remained the leading economic activity in employment until 1950. Today the economy is diversified, and as activities have declined or stabilized, the area has displayed versatility and dynamism in expanding into other activities. For this essential reason the prognosis is generally very good.

MAJOR ECONOMIC COMMITMENTS OF HENDERSONVILLE AND HENDERSON COUNTY

The Economic Base:

The economic base of a community consists of those activities which provide the basic employment and income on which the rest of the local economy depends. The importance of identifying economic activities in which a community specializes is to develop information which will help a community solve problems, anticipate and take advantage of trends for the benefit of the community, and make it possible to increase the contributions to both local and national growth.

In the past one could speak of a firm or an area as an independent economic unit, but today firms and areas must be understood as integrated parts of the national economy. The economy of Hendersonville or Henderson County, then, is a particular mixture of elements which can be analyzed and their consequences for the area considered within the national setting. In this report no evaluation will be made of any individual firm, for it is the trend of the whole national industry of which the firm is a part which is under investigation. Whether the market for the overall industry expands, contracts, or stabilizes, any competent firms will respond appropriately to the demand and reflect the pattern of growth in production and employment common to all similar firms. Therefore, the basis for evaluation of local types of industry is the overall trends of the national industries.

In this section, the major economic commitments of the County will be identified and discussed briefly. Second, trends of the respective specialization industries and local effects of those trends will be discussed. The labor force and its trends will be examined. Local and national trends of the past decade will be analyzed, and national industry growth rates will be applied to local types of industry to derive a ten-year employment projection for the County. This will be compared with an independent employment projection based on labor force participation rates of the projected population.

In What Economic Activities Does Henderson County Specialize?

A comparison of 1960 County employment distributions with those for the nation shows that Henderson County has higher concentrations of workers in these industries (in order): TEXTILES, PAPER, ELECTRICAL EQUIPMENT, CHEMICALS, APPAREL, Private Household Work, and Agricultural work. In all these the County was 'overrepresented' by more than 40% relative to the nation. Other industries with above-average employment include: Construction, Truck Transportation, and Commercial Personal Services. (Although 1,462 workers were employed in retail business, the proportion was less than that for the nation, so, despite its size in employment, retail trade is not a local specialization.)

Most of the above specializations are generally considered 'basic' industries in that they are activities based on production of goods for an export (i.e., nonlocal) market. (The lone exception, Private Household Work, is an activity common to the South, where there is a pool of surplus unskilled Negro labor; together with Commercial Personal Services this does point up a basic industry, tourism.) As an economy matures and general income levels rise, there is a tendency for services to increase at a faster rate and for the basic industries to level off relatively. This has been the national trend, and this report projects a similar trend into the economic future of Henderson County.

Electrical Equipment:

The lighting fixtures industry is concentrated in New York, Ohio, Illinois, and California; the General Electric at Hendersonville has by far the largest lighting plant in this State, nearing the thousand mark in employment. Although the value of production of the industry doubled from 1947-1961, productivity per production man-hour increased by 78%, and total employment increased nationally by only 6%. It is expected that the local industry will continue its expansion in capital investment, raise productivity, raise income levels of workers, and increase in white collar and technical employment, rather than production workers.

Chemicals and Paper Industries: Henderson Commitments to Industries Located outside the County:

In 1960 there were 311 Henderson residents employed in chemicals and 400 in paper manufacturing. The two small firms within the County in these fields employed fewer than 50 persons. Not coincidentally, there were more than 600 Henderson residents employed in each of two counties: Buncombe and Transylvania. The single largest employer of these people was the Olin Mathieson Corporation, near Brevard, producer of fine paper products and of cellophane. Both are high-investment, high-productivity, high-income, growth types of industry. From 1947-61, the value added in manufacture increased 4.9 times for cellophane and other plastics and doubled for paper mill products; productivity per man-hour increased 2.92 and 2.07 times, respectively; but total employment expanded by 1.90 and 1.14 times. Also in Transylvania County is a Du Pont plant which formerly produced silicon products but is turning to X-ray film, similar to the Olin chemicals category. In Buncombe County a number of local residents work in the Enka cellulose manmade fibre plant; that industry has tripled in productivity but declined in overall employment. In summary, Henderson residents have a strong commitment to jobs outside the County, and since these employing firms are expanding, it is expected that many future jobs will be created in Transylvania County and that some workers in plants there will settle in Henderson County.

Textiles and Apparel Industries:

In 1960 there were 1,281 men and 712 women residents of the County who were employed in textiles. The largest employers, each with more than 500 employees, are Berkeley Mills (sanitary gauze) and Cranston Print Works (print cloth). Other firms produce rugs, canvas tents, hosiery, cotton braid and cord, and narrow fabrics. These labor-intensive industries have long been a mainstay of the local economic base, but, as in the respective

national industries, further expansion is not expected because of mechanization of production, inelastic product demand, plant overcapacity, foreign competition, and the like. Prospects, then, are toward a future reduction in textiles employment. In 1960 there were 313 women and 82 men engaged in apparel manufacturing. Although local firms making women's and children's clothing have grown, the low-productivity and low-income character of apparel industries limits the commitment of the total economy. Future gains are unlikely to take up the slack in Textiles jobs.

Other Basic Manufacturing:

Youngstown Aluminum has just recently gone into operation in its new Hendersonville location, further broadening the local economic base. A State Employment Security Commission study of manufacturing 'births and deaths' during 1955-60 showed that six new plants came into the County in that time, employing a total of 874 persons at the end of the period. At the same time, five plants employing 401 persons at the beginning of the period were out of business at the end of the period. Not only was there a marked net gain, but the gain was in more diversified industries. An example of such diversification is the Robotyper Corporation, employing nearly a hundred persons in typewriter manufacture; this industry has been one of fast-rising productivity and of reduced employment, but the local firm is another step toward broadening the economic base.

Agriculture:

Agricultural employment in Henderson County fell sharply, from 2,412 in 1950 to 1,264 in 1960. From 1950-59, the number of farms declined from 2,394 to 1,383, but commercial farms alone slipped only from 672 to 597. Importantly, the number of farms with sales of more than \$10,000 increased from 60 in 1950 and 58 in 1954 to 188 in 1959; additionally, farms with sales of \$2,500-\$9,999 increased. Thus, only small marginal

farms were eliminated in large numbers. In 1959, 41.4% of farm operators worked off their farms one hundred or more days, and 62.5% of farm families derived most of their incomes from nonfarm sources. Agricultural products sold in the County in 1959 were valued at \$6.4 million, an average of \$4,602 per farm. The most important farm products have been dairy products, apples, flowers, Irish potatoes, corn, snap beans, and other vegetables, many of which are sold either directly into nearby urban markets or, increasingly, to food processors on contract, example the nearby Gerber Baby Foods plant. While the County's commercial farms are important contributors to the overall economy, overall employment in agriculture is expected to continue its decline. However, the outlook for expansion of apple and vegetable production is bright.

Services and Business: Tourism:

Generally speaking, the basic economic activities, the commitments, responsible for sustaining an area's population are those producing material goods, and the various service industries arise to serve the basic industries and their dependent population. It is only when services are for populations and firms outside the area that they are considered basic. Tourism is a basic service industry in Hendersonville. The most direct evidence of the degree to which this is true is in data for 'selected services' in the U. S. Census of Business. In 1958 such firms employed 763 persons in the County, 444 of them in Hendersonville City firms. If we exclude personal and automotive services, receipts (mostly hotels and motels) totaled \$2.8 million in 1958, most of them in businesses located outside the City. The high proportion of seasonally vacant housing units in off-season is also indirect evidence of the extent to which residents from other areas invest, live, and spend in the area.

TABLE 1 -- PROPORTIONS OF COUNTY RETAIL SALES WITHIN HENDERSONVILLE,
1948-1958, BY KIND OF BUSINESS

Kind of Business	1948	1954	1958
TOTAL RETAIL SALES	<u>83.6%</u>	<u>84.3%</u>	<u>76.1%</u>
Eating and drinking places	82.7	58.9	53.5
General merchandise stores	81.5	89.2	65.2
Food stores	68.8	78.3	63.3
Gasoline service stations	74.0	75.9	74.8
Furniture, home furnishings	95*	94.5	87.8
Apparel and accessories	95*	90*	90*
Automobile dealers	98*	95*	83*
Lumber, hardware, equipment	80.8	88.1	86.9
Drug stores	95*	95*	86.8
Other retail	83.8	90.5	89.0

*Estimate--subject to minor error

Source: U. S. Census of Business: Retail Trade

Retail Business Trends:

Table 1 above shows that Hendersonville has maintained its dominance of County business despite the rapid population growth outside the City and the increase in businesses along highways. As of 1958, the City remained strong in Central Business District mainstays--apparel, furniture, lumber & hardware--but lost in general merchandise, as several stores opened outside the City. Downtown merchants have persisted in CBD revitalization to retain dominance, but some erosion is inevitable as neighborhood shopping centers and highway businesses arise. Table 2 relates personal income to retail sales, proving Hendersonville's considerable retail holding power over a large area, despite Asheville's closeness. The opening of Interstate Highway 26 will send convenience business out of the City, but this artery can be a boon to specialized CBD business. Trucking, warehousing, wholesaling, may well be attracted to the Interstate to serve the region between Asheville and the Piedmont. Good CBD planning will be essential.

TABLE 2 -- RETAIL SALES RELATIVE TO TOTAL PERSONAL INCOME OF RESIDENTS
OF HENDERSONVILLE AND HENDERSON COUNTY

	HENDERSONVILLE	TOTAL HENDERSON COUNTY
1959 Total Personal Income (000)	\$ 8,125	\$49,308
1958 Total Retail Sales (000)	24,163	31,756
--Retail Sales as % of Income	297.4%	64.4%
All Township Personal Income (000)	33,524	--
--Sales as % of Township Income	72.1%	--
Expected Sales if State R.S./Income Ratio is Applied to Area Income:	22,555	33,174
Difference Actual from Expected	+1,608	-1,418
1949 Total Personal Income (000)	\$ 5,382	\$19,513
1948 Total Retail Sales (000)	15,978	19,116
--Retail Sales as % of Income	296.9%	98.0%
Expected Sales if State R.S./Income Ratio is Applied to Town* Income:	\$ 4,387	\$15,905
Difference Actual from Expected	+\$11,591	+\$3,211

* Township income data unavailable for 1949.

Source: 1949 and 1959 personal income computed from U. S. Census data;
1948 and 1958 retail sales from U. S. Census of Business.

THE LABOR FORCE IN HENDERSON COUNTY

The key to economic growth for any area is in the provision of jobs for men. During the 1950-1960 decade, an increase of about ten percent in jobs for men was necessary to accommodate natural increase in heads of households and other male entrants into the labor force. In the State, overall employment increased by 9.8%, yet over a third of a million persons migrated out of the State, primarily young adults in want of employment. Broken down by sex, State data revealed an absolute loss in jobs for males, with female employment increasing by 34.7%.

Employment gains of 2,389 and 2,078 in the last two decades appear to signify a steady, high economic expansion rate for Henderson County. However, for males the figures were 1,609 (1940-50) and 741 (1950-60); meanwhile females gained by 780 (1940-50) and 1,337 (1950-60). Employment losses in agriculture, lumber, and construction, were offset by new electrical and chemical manufacturing industries and by expansion of textiles and a wide range of professional and commercial services. However, the demand for new jobs will be rising rapidly during the next few years, as the nation--and Henderson County--have unprecedented numbers of teenagers and young adults entering the labor force.

Table 3 shows the occupational trends in the County and within the City of Hendersonville by sex, 1940-60. After the expansion of 1940-50, the City lost many of its white collar and skilled workers. Earlier data for the rest of the Township are unavailable, but the large proportions of white collar and technical workers in 1960 suggest the people at the top of the occupational scale moved from the City to suburban developments outside. This downgrading effect will be more apparent in a later section in which the City is compared unfavorably with its surrounding area in measures of income, education, and housing. Future planning by the City must not permit the City to become a blighted core, walled in by high-quality communities and prevented from expanding.

TABLE 13 -- OCCUPATION OF WORKERS BY SEX, HENDERSONVILLE AND AREA

	<u>HENDERSON COUNTY</u>			<u>CITY OF HENDERSONVILLE</u>			Rest of Twp. 1960
	1940	1950	1960	1940	1950	1960	
NUMBER OF EMPLOYED MALES:	6,409	8,018	8,759	1,298	1,565	1,368	3,798
PERCENT: TOTAL	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
--Prof., Mgr., Propr.	10.8	12.3	18.0	25.3	23.5	24.6	23.3
--Clerical and Sales	7.8	9.4	11.3	20.0	17.5	14.6	14.2
--Skilled Workers	13.1	17.6	18.5	14.9	16.4	14.9	19.1
--Semi-skilled	16.0	19.0	25.7	16.3	18.4	23.3	24.7
--Unskilled & Service	12.5	13.5	13.8	22.8	21.9	18.7	14.7
--All Farm Employed	39.8	28.2	12.8	0.7	2.3	3.8	4.0
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NUMBER OF EMPLOYED FEMALES:	2,026	2,806	4,143	806	911	960	1,796
PERCENT: TOTAL	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
--Prof., Mgr., Propr.	16.3	16.5	15.5	16.0	17.3	14.9	15.9
--Clerical and Sales	15.1	21.6	27.5	20.6	26.3	30.1	30.9
--Skilled & Semi-skilled	33.8	34.9	32.7	23.0	20.9	20.0	33.1
--Unskilled & Service	29.4	22.6	22.0	40.4	35.1	35.0	18.6
--All Farm Employed	5.5	4.5	2.3	0.0	0.3	0.0	1.5

Commuting Patterns:

In 1960 about 15% of all workers residing in Henderson County held jobs in other counties. There were 676 Henderson residents employed in Buncombe and 625 in Transylvania County; in the opposite direction, 433 Buncombe and 137 Transylvania residents worked in Henderson County. The only other sizable stream of commuters was the 103 Polk County residents who held jobs in Henderson County. Locally, 73 City and 178 other Township residents worked in Buncombe, and 61 City and 286 other Township residents worked in Transylvania County. This could be interpreted as a lack of local opportunities which necessitate residents' seeking employment elsewhere, but a number of people coming to jobs outside the County have chosen to move into the Hendersonville area also.

A BRIEF ANALYSIS OF THE ECONOMY

Our comparisons of Henderson employment distributions by industry with those for the nation revealed that the County's economy specialized in textiles, paper, electrical equipment, chemicals, apparel, private household work, and agriculture, in that order. There remain assessments of how well local industries have grown in competition within their respective national industries and whether this relative growth has produced long-run growth, stability, or decline. Finally, two projections of 1970 employment are made to gauge effects of economic and population trends in the future.

How well have local industries competed within their respective national industries? VERY WELL. If each industry had grown at the same rate as its national counterpart, there would have been 1,873 fewer local jobs by 1960. (For example, the national

textile industry declined by 22.3%, and if Henderson's various textiles plants had followed the national trend, total employment would have dropped from 1,565 in 1950 to 1,216 in 1960; however, local textiles increased to 1,993. The difference between actual and expected is a competitive gain of 777. The sum of like comparisons for all industries adds to a competitive gain of 1,873 over all national growth rates.)

Have all Henderson activities, taken together, led the economy in a direction of long-run growth? NO. In fact, the large sectors of slow-growth or declining industry--such as agriculture and textiles--resulted in a statistical deficit of -1,048 local jobs. The above competitive gain of 1,873 produces a net advantage of 825 jobs over national growth rates. The decreases in agriculture and lumber industries, along with increases in growth industry, then, give rise to optimism regarding the Henderson economy's ability to meet needs for future economic growth.

Which industries are leading toward long-run growth? Which ones toward relative decline?

1. The direction of maximum growth is that of long-run growth industry with local competitive gain. In Henderson County, such industries have been: electrical and other machinery, chemicals, printing, truck transportation, wholesale and retail trade, finance-insurance-real-estate, and professional services (except educational).
2. Long-run growth may occur if competitive losses are less than long-run growth industry's gains. Locally, industries in this category were: food processing, educational services, and public administration.
3. Net growth may occur if competitive gains continue to exceed losses in long-run non-growth industry. Textiles and apparel were in this category. Although continued growth may occur through competitive gains, this must be accomplished through the dubious tack of accumulating more and more of a declining or slow-growth industry.

4. Stress on quality of competition is needed in industries in which long-run losses have exceeded competitive gains. Henderson had no industry in this category.
5. Attempts should be made to improve the competitive position of industries in which long-run gains are exceeded by competitive losses. Only utilities, business & repair services, and metal shops were in this category, locally.
6. Industries with both competitive and long-run losses need stress on qualitative improvements and greater productivity if they are not to retard the economy. Agriculture, construction, and commercial personal services were in this category. (Good examples of such improvements are labor-saving construction equipment and mechanized agriculture on large commercial farm units, such as on Henderson's most efficient apple, dairy, and vegetable farms.)

What are probable future trends of the local economy?

A detailed, industry-by-industry projection of employment to 1970, summarized in Table 4, shows a gain of 1,361 in employment--more than 10% over 1960 for the County. These projections are based on national growth rates by industry, applied to 1960 County figures. The changes are in the same direction as actual 1950-60 changes, except for textiles, expected to decrease, and for construction, utilities, and commercial personal services, which are expected to gain after losing in the past decade. The largest projected gains are in professional services, electrical machinery, and commercial services. (Actually, the projected gain in electrical machinery has already been reached; in addition, a very conservative 'other and new industry' category may soon be covered by the new plant of Youngstown Aluminum. A revision could not be made without a more thorough resurvey of all employment.)

Table 5 presents an independent projection of the future labor force of the County, based on age-sex distributions of the 1960 labor force, as applied to population projections to be discussed later in the report. The 1960 labor force partici-

TABLE 4 -- EMPLOYMENT BY INDUSTRY CLASS IN HENDERSON COUNTY, 1950 and 1960,
WITH 1970 PROJECTION BASED ON NATIONAL INDUSTRY GROWTH RATES

Industry	Employment			Actual Change 1950-60	Projected Change 1960-70
	1950	1960	1970		
Projection from Labor Force, Table 5:	10824	12902	14523	2078	1621
TOTAL PROJECTION BY INDUSTRY	10824	12902	14263	2078	1361
MANUFACTURING:	<u>2525</u>	<u>4216</u>	<u>4454</u>	<u>1691</u>	<u>238</u>
Textiles	<u>1565</u>	<u>1993</u>	<u>1549</u>	<u>428</u>	<u>-444</u>
Electrical machinery	9	554	957	545	403
Apparel	78	395	429	317	34
Chemicals	15	311	422	296	111
All other manufacturing (sum)	858	963	1097	105	134
COMMERCIAL & PROFESSIONAL SERVICES:	<u>3117</u>	<u>4036</u>	<u>5191</u>	<u>919</u>	<u>1155</u>
Retail Trade	<u>1462</u>	<u>1706</u>	<u>1912</u>	<u>244</u>	<u>206</u>
Education, medicine, other prof.	774	1138	1789	364	651
Finance, insurance, real estate	169	286	402	117	116
Wholesale trade	244	367	413	123	46
Business & Repair Services	244	265	326	21	61
Public Administration	224	274	349	50	75
AGRICULTURE	2412	1264	781	-1148	-483
OTHER INDUSTRIES:	<u>2770</u>	<u>3386</u>	<u>3837</u>	<u>616</u>	<u>451</u>
Construction	<u>1002</u>	<u>959</u>	<u>1059</u>	<u>-43</u>	<u>100</u>
Transport-Commun-Utilities	542	562	653	20	91
Personal Services	1058	1141	1277	83	136
Other and new industries	138	724	848	586	124

Source: 1950 and 1960 from U. S. Census data; 1970 based on national industry growth rates derived from censuses of manufactures, business, and population.

TABLE 5 -- PROJECTIONS OF THE HENDERSON COUNTY LABOR FORCE
TO 1980 BY AGE AND SEX

MALES			Age Group	FEMALES		
1960	1970	1980		1960	1970	1980
252	271	293	14-17	118	126	136
1041	1427	1460	18-24	626	831	891
2049	2039	2576	25-34	811	908	1107
2178	2121	2130	35-44	1045	2387	2585
3022	3576	3727	45-64	1572	1937	2061
<u>508</u>	<u>587</u>	<u>681</u>	<u>65+</u>	<u>167</u>	<u>255</u>	<u>375</u>
9050	10021	10867	TOTAL LABOR FORCE	4339	5107	5707
<hr/>						
8759 (actual)	9620	10432	Less 4.0% = employment	4143 (actual)	4903	5479
<hr/>						

Source: 1960 from U. S. Census data; 1970 and 1980 based on age-sex trends in labor force participation rates applied to County population projections.

pation rates by age and sex were compared with State and national trends, and only minor changes were made in the future projection in line with State and national trends--lowering rates for teenagers and elderly males and increasing rates for females in middle ages. A 'normal' unemployment of 4% was assumed, and the resulting employment projection for 1970 is 14,523, slightly above the Table 4 industry projection. The closeness of the two projections points toward a slightly lower future rate of employment increase, given the 1960 local industrial composition and population trends.

What new economic directions are feasible for local growth?
The automatic response to this question is usually in terms of attracting industry. In the first place, industry is not so foot-loose as in the past, and mobile industries tend to keep moving rather than settling down. Hendersonville's success in attracting good, solid industries is in sharp contrast to the experiences of more desperate and less discriminating places. Second, manufacturing is no longer expanding in employment, except for fast-growth but unstable industries related to national defense (missiles, spacecraft, electronics...). Productivity has increased so rapidly that fewer workers are needed. The real growth industries are professional, technical, and commercial services--such as finance, education, health, natural science research, and equipment maintenance. When industry does relocate, it is most likely to give first consideration to markets, with transportation and access to raw materials important. Cheap labor is no longer cheap--automation is becoming cheaper and more efficient. Industrial sites in towns are in little favor because of taxes and site limitations.

Hendersonville is in no position to act unilaterally on its own economic development. The City is actually but a fraction of its urban core, and real planning should be for the urban core of 20,000, coordinated within County planning and within planning for the Western North Carolina Region. The area should work for high-investment, high-productivity, high-income industry, mindful that the preservation of the character of the City and the area is more important. The overall economic benefits from a medical center, a college, or a retirement community, may yield the greatest long-run growth, a growth accompanied by the amenities conducive to a qualitatively satisfactory way of life.

STYLE OF LIFE IN HENDERSONVILLE

The level of living for residents of Hendersonville and vicinity is comparable with that of urban North Carolina in income, education, and housing standards. Locally the quasi-urban population outside the City generally enjoys a substantially higher level of living than that of Hendersonville residents. In this respect Hendersonville has something in common with large Northern cities which are growing commercial, cultural, and industrial centers but whose more affluent population reside in suburban areas. Carried to an extreme (e.g., St. Louis), the central city may be abandoned by all but working classes, boarding house residents, and minority groups. As blight sets in, the city's core loses its attraction for commercial and industrial developers, and shopping centers and office centers in suburban areas drain strength from the central business district.

This may not be too far-fetched, for most upper-income residents of the area now live outside the City, the city itself has lost population, and there is blight in some northeastern and northwestern neighborhoods. The blighted areas must be upgraded; careful zoning along thoroughfares and at the edge of the City must prevent junky commercial developments; and a judicious program of annexation should be launched to set the City in an orderly direction of growth commensurate with its position as the area's urban center. The overall costs involved, including extension of community facilities, will be justified if Hendersonville becomes a better place to live and unifies its residential and economic dynamism 'under one roof.'

Income:

In 1959 residents of Henderson County had a per capita income of \$1,363, well above North Carolina's \$1,260, giving them 16th rank among the State's 100 counties. During the previous decade the increase in per capita income for the County was 5.85% per year above the 1949 figure of \$772 (dollars of 1959 purchasing power). The County was one of only nine in the State which both exceeded State per capita income and the rate of increase. These data are impressive evidence of wealth and dynamism, but the question remains as to whether the income is distributed in a manner favorable to improving general standards of living, upgrading private and public assets, and creating the basis for continued economic growth. How, then, is Henderson County's income distributed?

Figure 1 tells us that Hendersonville compares unfavorably with urban residents of State and nation in measures of income. The rest of the Township is well above the City; it is slightly below urban North Carolina in family mean (average) and median (midpoint) but above in per capita income. This seeming inconsistency is not surprising in view of the fact that there are many retired persons and that the average family size is small. The great gap between family mean and median is due to the distribution of incomes among families; a small proportion of families with very high incomes raise the overall mean far above the median.

Table 6 shows the proportions of high, medium, and low income families in Hendersonville and comparable places. In addition, the share of total income earned by each income class is shown. The top 15.5% of Hendersonville families, for example, earned 38.3% of all families' income in 1959, while 34.0% of low-income City families earned only 11.6% of total family income.

FIGURE 1-- INCOME FOR HENDERSONVILLE AND COMPARABLE AREAS, 1959

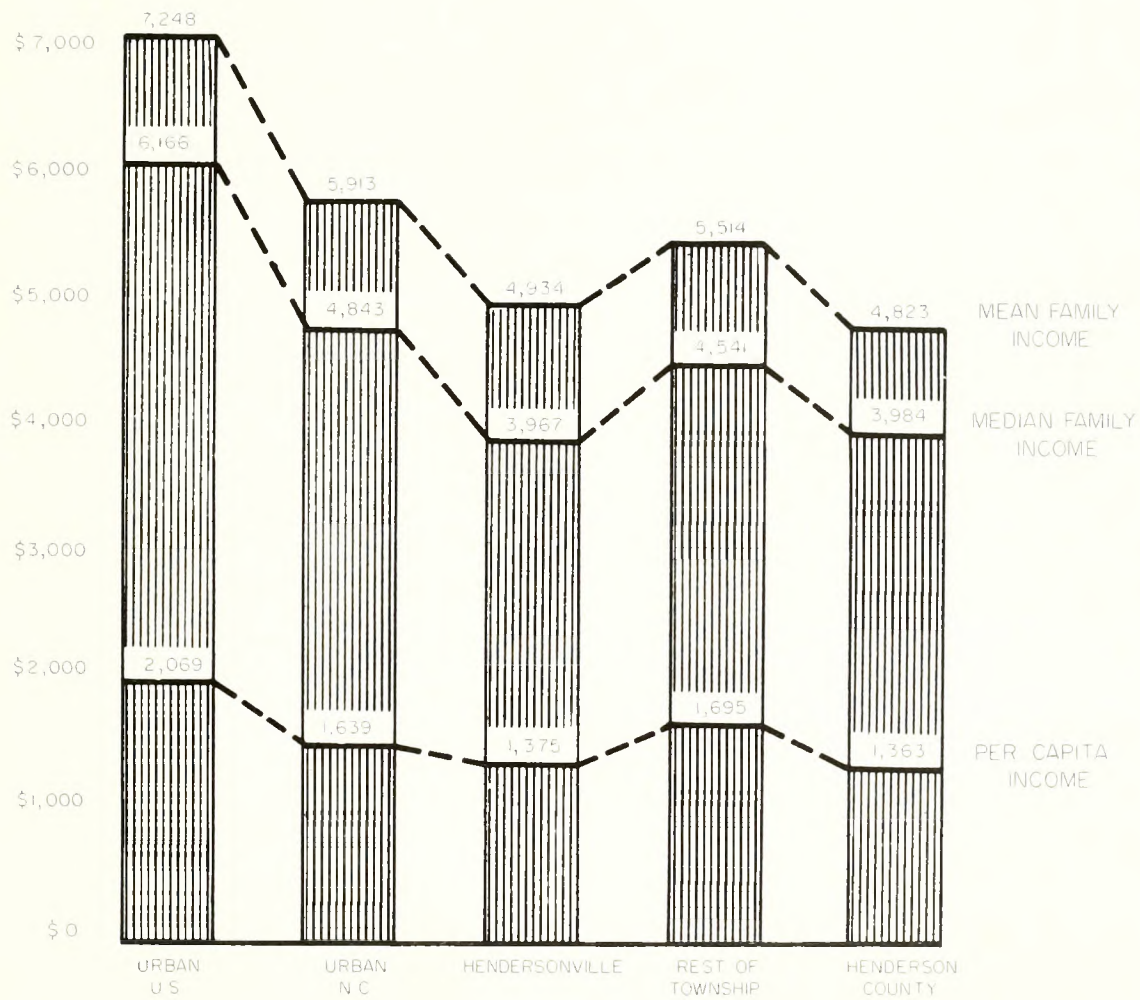


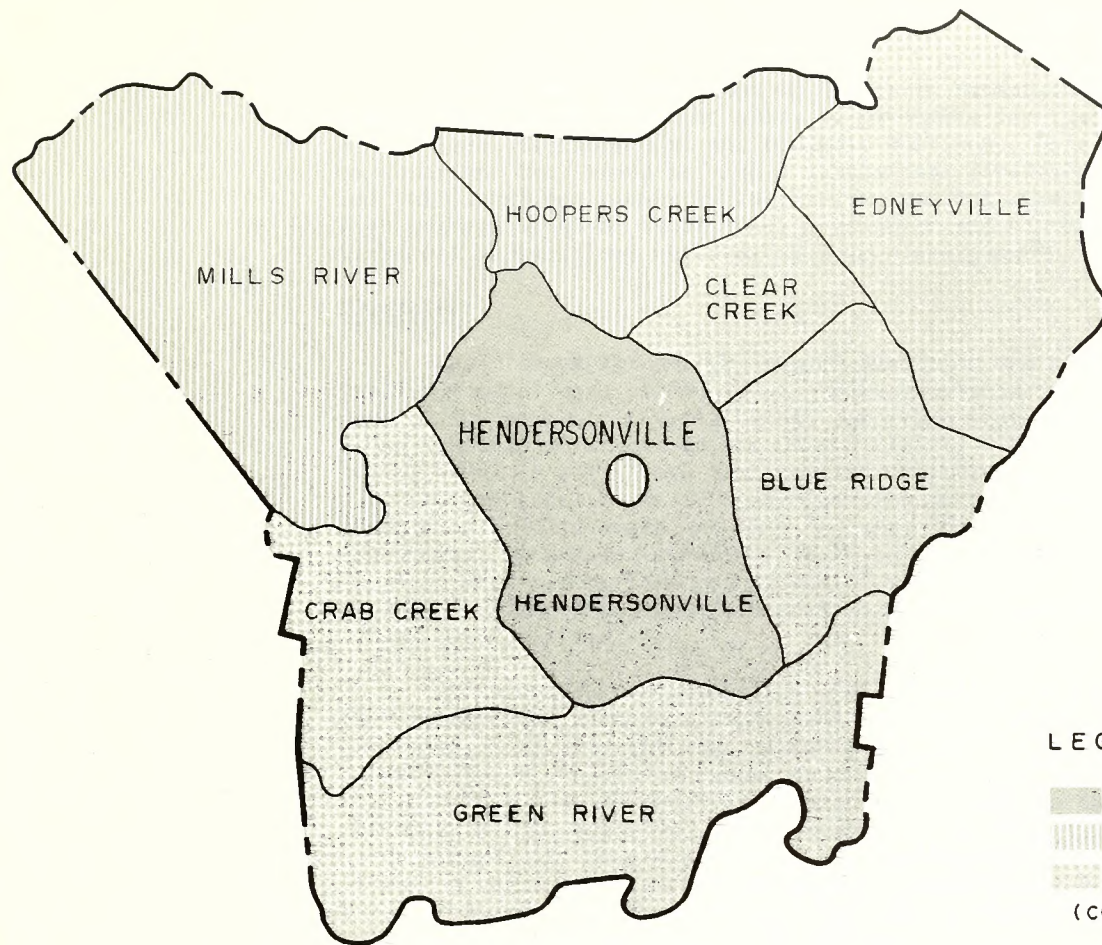
TABLE 6 -- INCOME DISTRIBUTIONS AND SHARES OF TOTAL INCOME, 1959, FOR FAMILIES

Income Class	CITY OF HENDER- SONVILLE	Rest of Twp.	Total County	Total State	Total U.S.
Families with incomes \$8,000 and over:					
--% of families	15.5%	17.8%	13.5%	13.5%	26.5%
--% of income	38.3%	41.1%	34.9%	36.1%	51.9%
Families with incomes \$3,000-\$7,999:					
--% of families	50.5%	53.8%	51.0%	49.3%	52.1%
--% of all income	50.1%	50.2%	53.0%	52.0%	42.8%
Families with incomes under \$3,000:					
--% of families	34.0%	28.4%	35.5%	37.2%	21.4%
--% of all income	11.6%	8.7%	12.1%	11.9%	5.3%




(Source: Computations from U. S. Census published & unpublished data)

Map 2 shows the 1959 per capita income distribution within the County; only suburban Hendersonville residents exceeded the urban State level, while residents of the City and of Mills River and Hoopers Creek townships were intermediate; the range was down to Edneyville Township's average of only \$687.

HENDERSON COUNTY



LEGEND

	MORE THAN N.C. URBAN (\$1639)
	MORE THAN \$1100
	LESS THAN \$1100
(COUNTY PER CAPITA \$1363)	

PER CAPITA INCOME 1959

MAP-2



The sum and distribution of income in Hendersonville, and particularly in its adjacent area, is favorable for the provision of a high level of commercial and business services. This leads to the expectation that there is also a substantial inventory of good housing and well-developed community facilities, and one expects to find a high general level of educational attainment and of white collar and technical workers (and retirees with such backgrounds

Education:




Map 3 shows the proportions of adults in the County with twelve or more years of education. Hendersonville (43.6%) and the rest of its township (42.0%) exceed the urban State proportion; Green River Township is lowest in the County (13.1%). The County's educational level is well above that for the whole State, but still one of eight adults (one of ten in Hendersonville City and Township) is 'functionally illiterate' -- that is, they lack even a fifth-grade education. As modern technology advances and the labor force expands these persons may be less and less able to adjust to new job requirements and be led into chronic unemployment with lowered levels of living for their families.

It cannot be overemphasized that education is the key to professional and technical employments which will be in demand in the future. In 1962 the high school graduates in all County high schools were 61.8% of the number in the fifth grade seven years earlier. Only five counties in the State had lower drop-out rates than Henderson's 38.2%. In addition, a follow-up study of 1959 high school graduates showed that more than 60% of the Hendersonville class were attending college--an exceptionally high proportion. However, the proportion was only 25% for other high schools in the County, and only one Negro graduate had gone on to college.

HENDERSON COUNTY

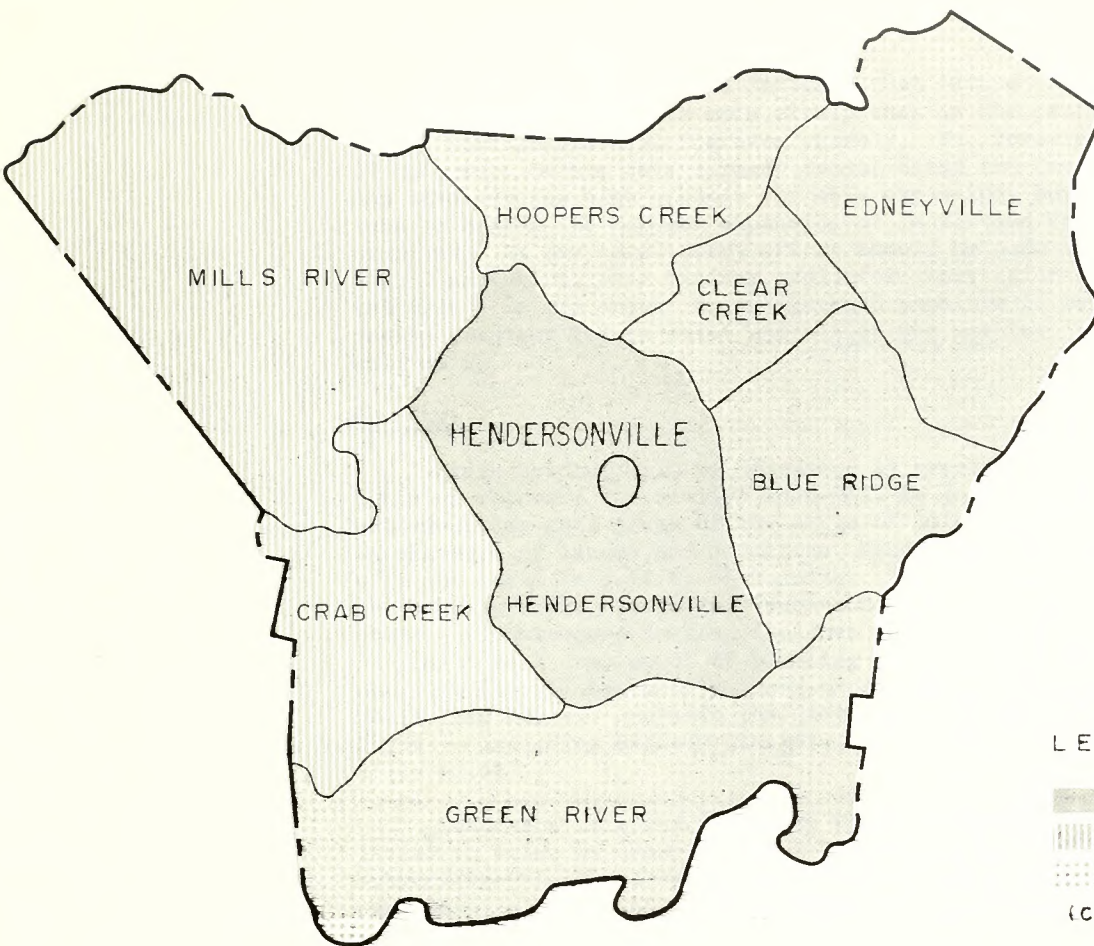


LEGEND

	ABOVE STATE URBAN (40.7%)
	OVER 30.0%
	LESS THAN 30.0%
	(COUNTY 37.0%)

PERCENT OF ADULTS WITH 12
OR MORE YEARS OF EDUCATION

MAP - 3





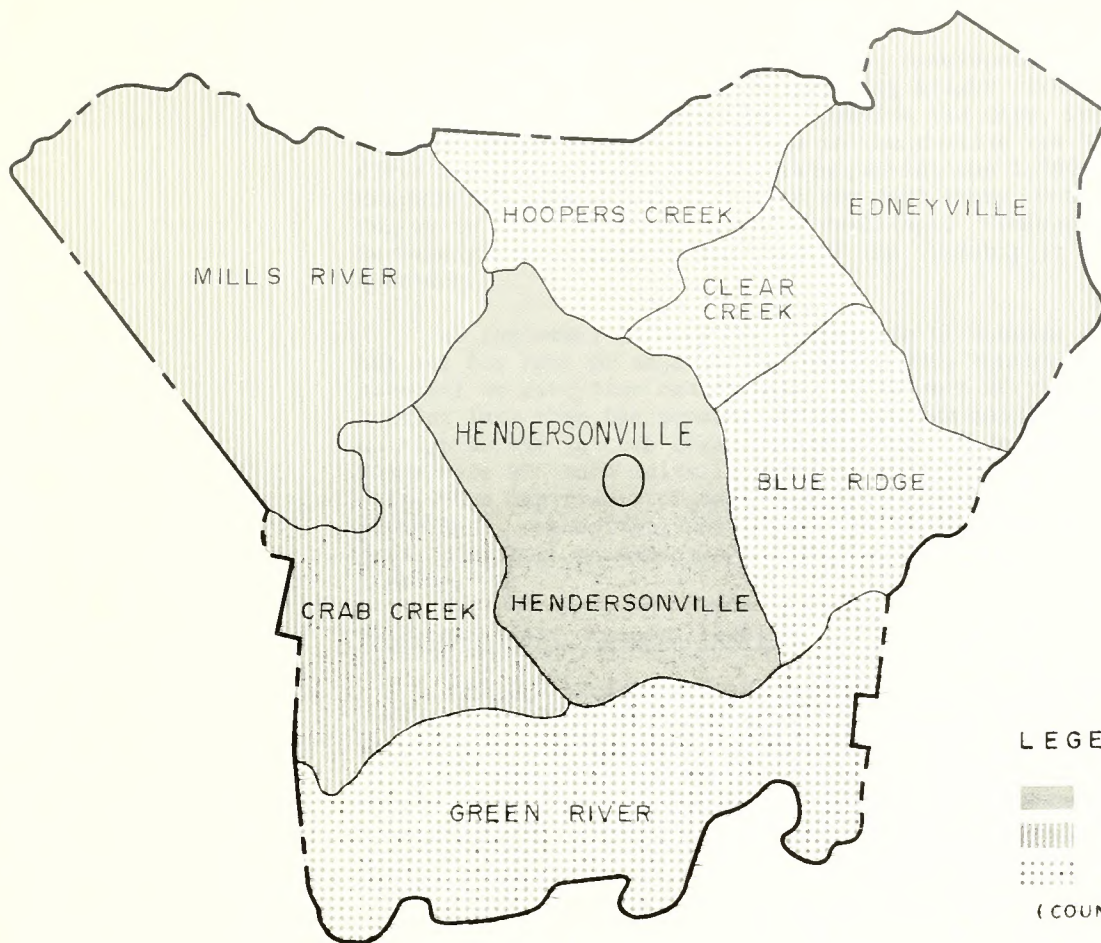
Population projections indicate that future elementary school enrollments will increase more slowly than in the past decade. High school enrollments will increase sharply. The foresightful citizens of Henderson County have already consolidated the County school system and have two new high schools for this expansion, but there may very soon be a need for further expansion of facilities for upper grade students. At any rate, every effort should be made to assure a high school education, as a minimum goal, for every child of normal intelligence in the area. An enlightened populace is the City's and the area's greatest future asset and a sine qua non for future economic well-being.

Housing:

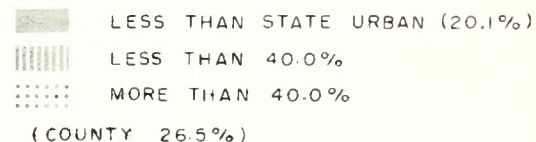
Since housing will be discussed at greater length in other planning reports, its mention here will be in connection with income and education as a gauge of the style of life of local citizens. As in the case of income and education, Henderson County compares favorably with the State in quality of housing. In 1960 the County had 26.5% of its housing units classified 'substandard', compared to 36.5% for the State. (Substandard housing includes units classed as dilapidated or lacking a full complement of plumbing facilities.) The City of Hendersonville (19.9%) was barely ahead of the urban State proportion of 20.1% (see Map 4). Outside the City, the rest of the Township had only 16.9% -- including Balfour (14.4%), Barker Heights (12.4%), and Druid Hills (3.3%).

Hendersonville and Henderson County rank well above the State levels in value of owner-occupied housing units. Within the City the proportions of low-value and high-value housing are high, with a somewhat small middle-range. This points up, again, a degree of caution

HENDERSON COUNTY



LEGEND



PERCENT SUBSTANDARD
HOUSING UNITS

MAP - 4

in future planning, for as good housing developments are built outside the City, there is danger of a spreading blight within low-value and older housing areas in the City. Outside the City, in 1960, the average value of owner-occupied dwellings in Druid Hills was \$14,500, ranking fifth among 118 places in the State populations 1,000-2,499. Barker Heights' \$10,500 average was tied for 20th rank. Home ownership in the County is high--72.0% of occupied dwellings. However, in the City it is barely half, while in the rest of the Township it is more than three-quarters.

An important item is the proportion of housing which was vacant but not for rent or sale in the April, 1960, census--in other words, seasonal or part-time residences. In no part of the County was such housing less than ten percent of all housing units, and the range was as high as 49% in Crab Creek Township and 43% in Green River Township. There were 296 such units in the City and 1,488 in the rest of the Township. The importance of seasonally occupied housing on overall land use planning is emphasized, and good subdivision regulations are vital in protecting both permanent and seasonal residents' investments in land and housing.

Hendersonville, Cultural Center:

Although Hendersonville's excellent site and climate attract residents and visitors, the intellectual climate of Hendersonville has attracted a professional and managerial class of people who have bought or built residences for retirement or seasonal occupancy. Key personnel in expanding industry prefer relocation to a place with Hendersonville's cultural activities and may influence plant location on their account rather than accepting another good site, but one which is in a cultural Sahara.

During the summer months local and seasonal residents and outside visitors flock to the Flat Rock Playhouse, just outside the City, to performances of this nationally recognized theatre, officially designated the "State Theatre of North Carolina." There are schools of art and of drama, horse shows, and other activities. From Fall through Spring local residents participate in cultural activities in Asheville, only 23 miles away. It should be noted that the most famous local resident is that grey eminence of American letters, Carl Sandburg.

The Style of Life of Hendersonville Negroes:

Negroes are one-fifth of the City's population, yet their incomes total less than a tenth of City income, with \$604 per capita income, a family mean of \$2,474, and a median of \$2,242; more than a third of the City's low-income families are Negro. One white adult out of two has finished high school; for Negroes it is one of seven. One of twenty white adults is functionally illiterate, compared with Negroes' one of three. In unskilled and service employment are one of eight white and three of four Negro workers. Living in substandard housing are one-eighth of the white occupants and four-sevenths of Negro occupants. The point is that the style of life of Hendersonville is a measure for all citizens, and an upgrading of this most materially deprived element of the population will upgrade the entire city.

POPULATION TRENDS IN HENDERSONVILLE

The development of the economy of Henderson County has created a sprawling urban core centered at the City of Hendersonville. Within the City limit in 1960 were 5,911 residents. Nearby Laurel Park, the County's only other incorporated town, had 421 residents. Druid Hills, a well-defined but unincorporated community on Hendersonville's northwestern edge, had a population of 1,207. Barker Heights is the census designation of an unincorporated area of 2,184 to the City's southeast. Balfour, north of the City, had a population of 1,106. These communities alone added up to 10,829. In addition, there were 10,051 residents of Hendersonville Township who were not farm residents. Far from being a town of 5,911, Hendersonville's population was actually 20,880 in 1960, including all nonfarm population of the Township.

Table 7 presents historical data for the City of Hendersonville, the rest of its township, and Henderson County. Population growth outside the City has exceeded inside growth since 1920, and during the past decade, while the outside area increased by 4,422, the City itself actually lost and the rest of the County added only 820, less than its natural increase of births over deaths.

During the 1950-1960 decade there was a considerable shift of population within the County, the net result of which was a 17.0% increase. The City of Hendersonville, however, had a 3.1% decline as 1,107 (15.8%) persons moved out. Since only the adjacent quasi-urban area had net in-migration, part of such growth was directly at the expense of the City. Table 8 presents data on components of population change for the City and the rest of the County.

TABLE 7 -- POPULATION TRENDS IN HENDERSONVILLE AND VICINITY, 1900-1960

Year	CITY OF HENDERSONVILLE	Rest of Township	Henderson County
Total Population:			
1900	1,917	2,813	14,104
1910	2,818	4,023	16,262
1920	3,720	4,589	18,248
1930	5,070	7,283	23,404
1940	5,381	8,221	26,049
1950	6,103	10,561	30,921
1960	5,911	14,983	36,163
Percent change by decade:			
1900-10	47.0%	43.0%	15.3%
1910-20	32.0	14.1	12.2
1920-30	36.3	58.7	28.3
1930-40	6.1	12.9	11.3
1940-50	13.4	28.5	18.7
1950-60	-3.1	41.9	17.0

Source: U. S. Census Reports.

TABLE 8 -- COMPONENTS OF POPULATION CHANGE, 1950-60, FOR
HENDERSONVILLE AND HENDERSON COUNTY

Components	HENDERSONVILLE			The Rest of the County			COUNTY
	White	Nonwhite	Total	White	Nonwhite	Total	TOTAL
1950 population	4866	1237	6103	23985	833	24818	30921
Natural increase	<u>743</u>	<u>172</u>	<u>915</u>	<u>3289</u>	<u>137</u>	<u>3426</u>	<u>4341</u>
Expected 1960 population	5609	1409	7018	27274	970	28244	35262
Net migration	<u>-911</u>	<u>-196</u>	<u>-1107</u>	<u>+2222</u>	<u>-214</u>	<u>+2008</u>	<u>+901</u>
Actual	4698	1213	5911	29496	756	30252	36163
Migration rate	-16.2%	-13.9%	-15.8%	+8.1%	-22.1%	+7.1%	+2.6%
Population change	-168	-24	-192	+5511	-77	+5434	+5242
Rate of change	-3.5%	-1.9%	-3.1%	+23.0%	-9.2%	+21.9%	+17.0%

Source: U. S. Census and N. C. Vital Statistics data.

Figure 2 compares net migration rates of the City and the County by age. The City lost nearly a third of its young adults who, in 1960, would have been ages 20-34, but a fourth of the adults ages 40-54 also moved out. The over-all pattern for the County was quite different; for one thing, it showed in-migration of young adults ages 30-44 and young children under age 15, but the biggest in-migration was in retirees over age 55. Consistent with data earlier in the report on the slow expansion of employment is the fact that more than a quarter of all young adults in their early twenties migrated out, many of them to other parts of the country; young adults in their late teens and late twenties also had net outmigration rates. This is a sure indication that the present economic base and secondary services have not expanded sufficiently to provide jobs for County population. The net in-migrants moved in to specific jobs or to retire.

Population Projections:

Population projections were made through use of an IBM 1410 computer program devised for analysis of changes in an area's age-race-sex composition during the past decade. Assuming that factors producing change in the last decade would continue, a projection is made indicating where past and present trends are going and what their consequences will be if continued. It is NOT a prediction or prophecy. Thus a straightforward projection of Henderson County population indicates that, without major changes, the 1980 population will increase by 28.7% over the 1960 total or 36,163, to a total of 46,548. This rate of increase is easily the highest for Western North Carolina and one of the State's highest, after some commercial and industrial counties of the Piedmont.

FIGURE 2 -- NET MIGRATION, 1950-1960, AMONG SELECTED AGE GROUPS IN
HENDERSONVILLE AND HENDERSON COUNTY

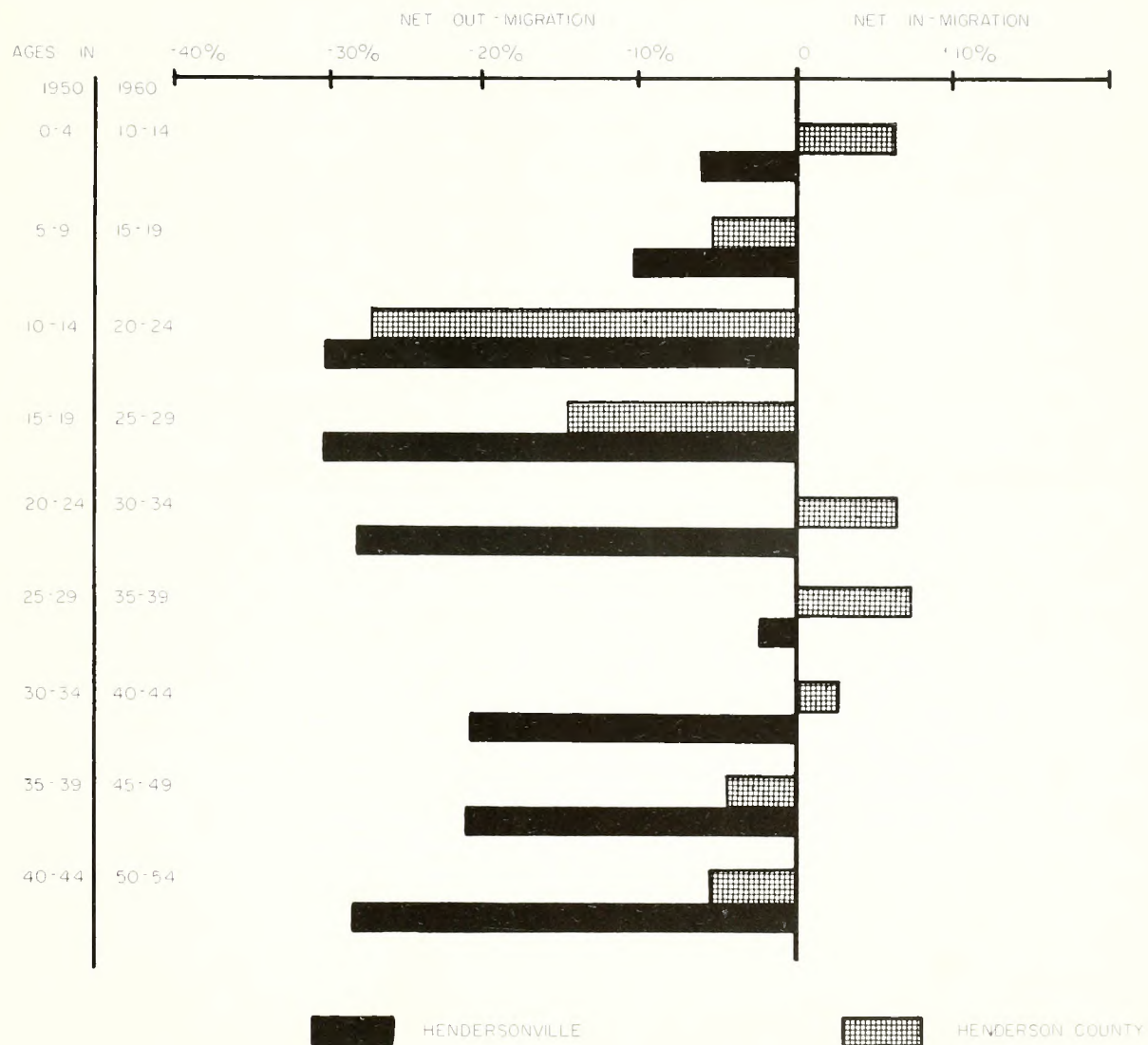


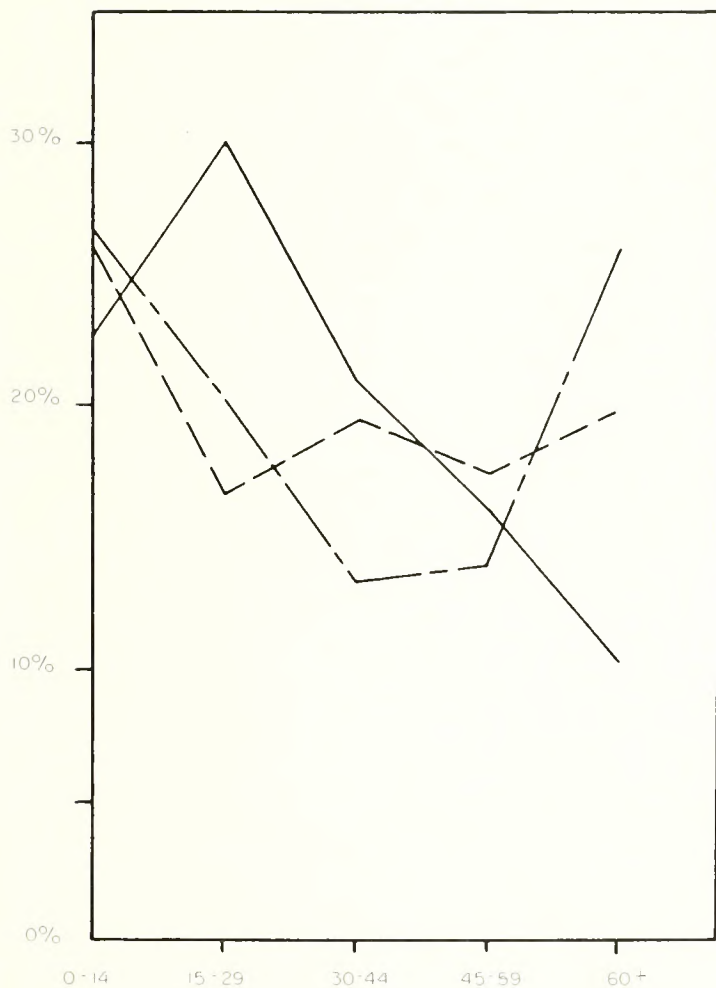
TABLE 9 -- SUMMARY OF POPULATION PROJECTIONS FOR HENDERSON COUNTY,
BY FIFTEEN-YEAR AGE GROUPS

Year	TOTAL	Ages 0-14	Ages 15-29	Ages 30-44	Ages 45-59	Ages 60+
1940	26,049	7,560	7,302	4,939	3,718	2,530
1950	30,921	9,094	6,868	6,513	4,629	3,817
1960	36,163	10,621	6,926	7,069	5,720	5,827
1970	41,093	11,439	8,434	6,682	6,651	7,887
1980	46,548	13,104	9,115	7,612	6,771	9,946
Percent change:						
1940-60	38.8%	40.5%	-5.1%	43.1%	53.6%	130.3%
1960-80	28.7%	23.4%	31.6%	7.7%	18.4%	70.7%
Source: 1940-50-60 from U. S. Census. Projections from summary output of IBM 1410 computer program devised by Josef H. Perry, Division of Community Planning, and Dr. C. Horace Hamilton, North Carolina State College.						

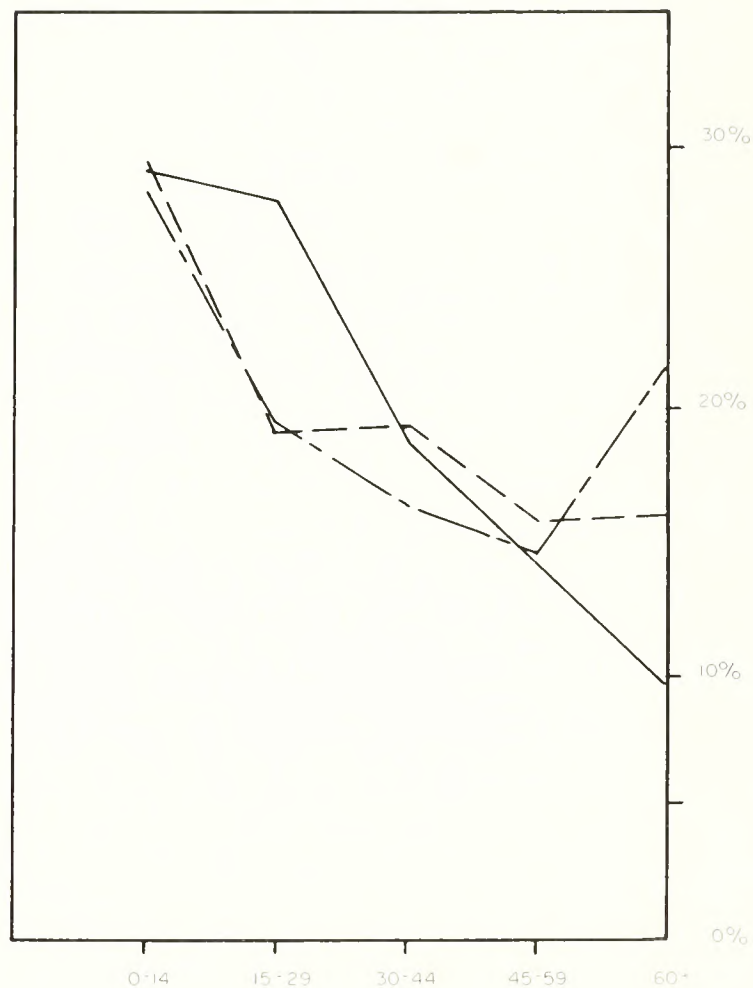
The unevenness of the population projected by age may be questioned. The problem is one of projecting new births for those who will be under age 18 in 1980; all the rest of the population is now with us. Low birth rates from 1930-45, then, would lead us to expect little growth in their numbers, regardless of immigration. Thus, little change in ages 35-49 in 1980. The gain will come in young people and those over 50. The consequences of this have already been remarked upon in the labor force projection earlier and in comments on the future school enrollments.

FIGURE 3 -- PERCENT DISTRIBUTION OF THE POPULATION BY AGE GROUPS, IN 1940, 1960, 1980

HENDERSONVILLE



HENDERSON COUNTY



AGES
1940 ——— 1960 - - - -

AGES
1980 - -

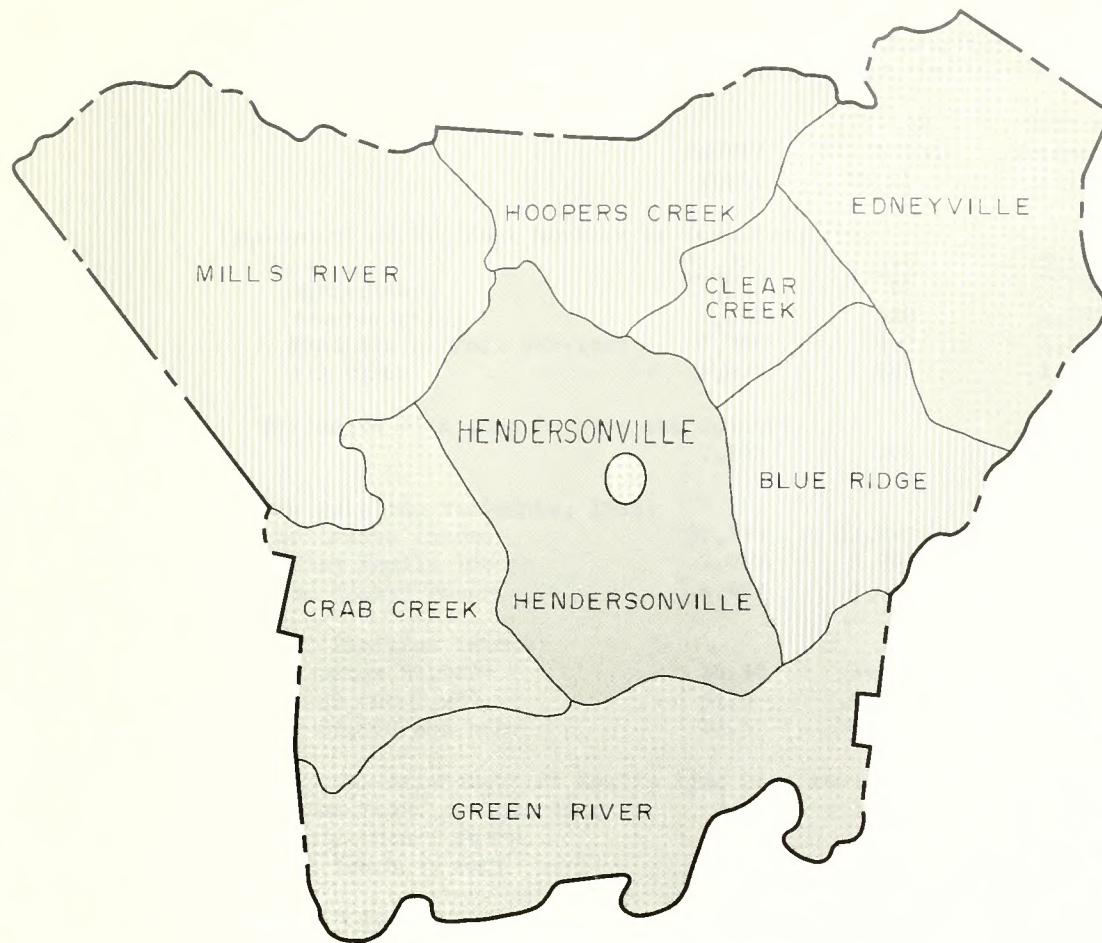
Hendersonville:

Projecting population for a small and unstable area is hazardous. Our data permit a detailed City projection only if we assume that the City will never annex territory. If that were the case, Hendersonville would shrink to a population of 5,303 in 1980, more than a fourth of whom would be over age sixty. If the County's projection is used as the basic unit and our assumed constant-area City projected as a proportion of the total (see Appendix A), then the City would drop to only 4,704 by 1980. At the same time, population would be crowding in all around the City. This assumption of constant area is unreasonable, but if things did continue as they have, a straight projection would produce such results.

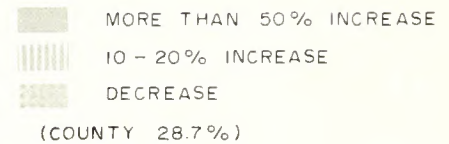
The unit for consideration of the future of Hendersonville is the Township, a stable area within which future growth may be contained or, at least, assessed. Detailed data are unavailable for a minute projection, but if the Township continues to increase its proportion of the County population, then the 1980 population of the Township would be 30,349, about 50% more than it was in 1960. Map 5 shows the County pattern of such a projection. At past and present rates of growth, Hendersonville City and Township will contain two-thirds of the County population in 1980. Most of the County can expect slight growth, but the most mountainous areas may continue to decline.

The important thing in future population prospects is not the sheer number of residents which may be anticipated, but what quality of people and what style of life the future community will have. Higher per capita incomes, a well-educated populace, better housing, and private and public facilities--these are more desirable goals than attraction of quantities of nondescript economic activities and people. Good planning can provide local citizens with some of the means for their own optimal realization.

HENDERSON COUNTY



LEGEND



**PROJECTED POPULATION CHANGE
1960-1980**

MAP-5

APPENDIX A -- BASIC CENSUS DATA FOR TOWNSHIPS IN HENDERSON COUNTY--Summary of Unpublished
Census Data Made Available by the Division of Community Planning

	COUNTY TOTAL	CITY OF HENDERSON- VILLE	Rest of Henderson- ville Twp.	Blue Ridge Twp.	Clear Creek Twp.
Employment of Resident Workers by Industry, 1960					
Total	12,902	2,328	5,594	1,047	365
Agriculture	1,259	67	236	218	77
Manufacturing	4,216	500	1,982	368	99
Business & Prof. Services	3,750	980	1,677	243	72
All Other	3,677	781	1,699	218	117
Residents with Jobs Outside the County:					
	2,303	260	919	115	70
Income Data for Residents, 1959:					
Per Capita Income	\$1,363	\$1,375	\$1,695	\$1,010	\$816
Median Family Income	3,984	3,967	4,541	3,172	2,670
Mean Family Income	4,823	4,934	5,514	3,529	3,273
% of Families Income:					
--under \$3,000	35.5%	34.0%	28.4%	46.8%	55.2%
--\$3,000-7,999	51.0	50.5	53.8	48.4	39.7
--\$8,000 and over	13.5	15.5	17.8	4.8	5.1
Educational Attainment of Adults Ages 25+, 1960:					
Median Years of Schooling	9.1	11.1	10.6	8.4	8.9
% Less than 5 Years	12.7%	9.9%	10.4%	14.9%	19.6%
% 12 Years or more	37.0	43.6	42.0	27.0	29.8
Housing Units: % Substandard	26.5%	19.9%	16.9%	44.6%	49.9%
Population Projections to 1980:					
1950 Population	30,921	6,103	10,561	2,794	1,192
1960 Population	36,163	5,911	14,983	3,195	1,336
1970 Projection*	41,093	5,392	19,921	3,493	1,438
1980 Projection*	46,548	4,704	25,645	3,817	1,490
% Change 1960-1980*	+28.7%	-20.4%	+71.2%	+19.5%	+11.5%

* Projections keyed to County projections cited in text.

APPENDIX A -- BASIC CENSUS DATA FOR TOWNSHIPS IN HENDERSON COUNTY (cont.)

	Crab Creek Twp.	Edney- ville Twp.	Green River Twp.	Hoopers Creek Twp.	Mills River Twp.
Employment of Resident Workers by Industry, 1960					
Total	265	470	785	1,036	1,012
Agriculture	93	215	65	74	214
Manufacturing	77	56	408	319	407
Business & Prof. Services	50	112	94	317	205
All Other	45	87	218	326	186
Residents with Jobs Outside the County:					
	61	78	167	253	380
Income Data for Residents, 1959:					
Per Capita Income	\$820	\$687	\$1,012	\$1,164	\$1,302
Median Family Income	3,808	2,500	3,194	3,926	4,191
Mean Family Income	4,165	2,782	3,989	4,732	4,680
% of Families Income:					
--Under \$3,000	38.1%	58.2%	47.3%	37.8%	36.2%
--\$3,000-7,999	53.4	38.8	45.3	49.7	54.2
--\$8,000 and over	8.5	3.0	7.4	12.5	9.6
Educational Attainment of Adults Ages 25+, 1960					
Median Years of Schooling	8.7	8.1	6.9	8.7	9.8
% Less than 5 Years	14.0%	21.1%	23.9%	18.8%	8.5%
% 12 Years or More	31.8	26.9	13.1	28.3	38.1
Housing Units: % Substandard					
	39.1%	34.8%	51.2%	45.0%	37.0%
Population Projections to 1980:					
1950 Population	1,007	1,825	2,046	2,741	2,652
1960 Population	940	1,690	2,088	3,050	2,970
1970 Projection*	863	1,521	2,096	3,205	3,164
1980 Projection*	791	1,303	2,048	3,398	3,352
% Change 1960-1980*	-15.9%	-22.9%	-1.9%	+11.4%	+12.9%

* Projections keyed to County projections cited in text.

